

RESOLUTION No. _____

RESOLUTION OF THE MAYOR AND CITY COUNCIL
OF GAITHERSBURG GRANTING APPROVAL OF
SCHEMATIC DEVELOPMENT PLAN SDP-7712-2017,
KNOWN AS KENTLANDS SQUARE INFILL SITES, FOR
APPROXIMATELY 1.8 ACRES OF PROPERTY
ZONED MIXED USE DEVELOPMENT (MXD)

SDP-7712-2017

OPINION

Schematic development plan application SDP-7712-2017 zoned Mixed Use Development (MXD), has come before the Mayor and City Council for approval. The City Council's authority in this matter is pursuant to § 24-160D.9.(b)(2) of the City of Gaithersburg Zoning Ordinance (Chapter 24 of the City Code), which authorizes the Council and Commission to conduct public hearings on a schematic development plan application following appropriate notification procedures and to take action on the application within ninety (90) days of the close of the hearing record, following receipt of a recommendation by the City Planning Commission.

The subject case involves approximately 1.8 acres of land within the existing Kentlands Square Shopping Center and concerns the development of the subject property known as the Kentlands Square Infill Sites ("Property"). These Infill Sites are located completely within the Kentlands Square Shopping Center, which is bordered by Booth Street and The Boulevard Shops to the west, the Colonnade Condominium and Diya Restaurant to the north, Great Seneca Highway to the east, and Kentlands Boulevard to the south. The schematic development plan application was submitted to the City Planning and Code Administration on September 7, 2017. This application was designated as SDP-7712-2017.

OPERATIVE FACTS

A. Background

The Kentlands is a neo-traditional, new urbanist mixed-use development that was initially built out between 1988 and 2000. The Kentlands Square area is within the commercially-focused "village center" section of Kentlands, as established by the original Sketch Plan Z-262 and subsequent amendment Z-262(A). The subject schematic development plan application, SDP-7712-2017, is substantially similar to a 2005 proposal that was approved as SDP-03-005, with four commercial infill buildings totaling 20,000 square feet, one of which was constructed (the Chipotle/Cold Stone building). The prior SDP-03-005 included as its eighth condition a requirement that the plan be re-submitted to the Council for review, unless construction of all infill sites was underway within five (5) years. The Applicant did not resubmit the plan of record, instead choosing to make changes to that plan that better reflect current market conditions and to submit a new schematic development plan for the three (3) unbuilt

infill sites, in accordance with City Code § 24-198(c).

B. Current Application:

On September 7, 2017, Mr. Brian Downie, on behalf of Saul Holdings Limited Partnership, submitted an application for schematic development plan, SDP-7712-2017. The plan proposes to add three (3) additional commercial infill sites totaling 16,000 square feet to the Kentlands Square Shopping Center, on approximately 1.8 acres of land. Proposed commercial uses include office, restaurant, retail, personal service, banks, childcare, and integrated light manufacturing.

The Mayor & City Council and Planning Commission conducted a joint public hearing for application SDP-7712-2017 on October 16, 2017. During the course of the hearing a number of questions regarding various aspects of the plan were voiced:

- The challenging pedestrian connectivity to the adjacent residential and commercial areas;
- The impact of the new buildings on actual available nearby parking;
- Peripheral impacts to Kentlands Boulevard and other vacant retail in the area;
- The compatibility of the drive-thru with the overall walkability vision; and
- Whether the proposed sidewalk width could accommodate the active storefront vision of the design guidelines

Testimony was provided from two (2) members of the public.

The Planning Commission record on SDP-7712-2017 closed as of 5:00 PM, November 22, 2017. The Planning Commission reviewed the SDP-7712-2017 application at its regular meeting on December 6, 2017. The Commission, in response to the issues raised during the public hearing and through the course of their discussion during their meeting on December 6, 2017, voiced their support for the proposed drive-thru, though noting that a re-configuration was needed to improve pedestrian safety and walkability; acknowledged that the applicant had shown that adequate parking was available for the new infill sites; noted that the application reflects the interim uses and design envisioned by the Kentlands Commercial District Master Plan; and found that issues of traffic circulation, parking layout, preferred building entrance locations, and recurring temporary storage use by Lowe's could be addressed by the Commission during any final site plan review.

Based upon their review of the evidence, testimony, and findings in the staff analysis, the Planning Commission found the SDP-7712-2017 application to be in conformance with the MXD Zone standards. As such, the Planning Commission recommended approval of the SDP-7712-2017 application to the City Council with the following three conditions required of the applicant:

1. As part of any final site plan application, the Applicant must revise the limits of disturbance shown on the stormwater management plan and must provide mitigation as required by the Department of Public Works;

2. As part of the final site plan approval of two infill site buildings, either separately or concurrently, the Applicant must install any incomplete pedestrian streetscape and landscape improvements along the drive aisle; and
3. Prior to any final site plan approval, applicant is to revise the layout of the drive-thru so that the ingress/egress points do not cross pedestrian walkways.

During the January 16, 2018 Mayor and City Council Policy Discussion, the Council expressed its desire to see how the applicant would satisfy the Planning Commission's third condition regarding the drive-thru, and voted to re-open its record indefinitely to allow the applicant to revise the plans. The Planning Commission voted to re-open its record indefinitely during its January 17, 2018 meeting.

On February 20, the applicant submitted a revised drive-thru layout (Exhibit 61). During their February 21, 2018 meeting, the Planning Commission voted to re-close its record on SDP-7712-2017 as of 5:00 PM, March 9, 2018. During their March 19, 2018 meeting, the Mayor and City Council voted to re-close their record as of 5:00 PM, April 3, 2018.

The Planning Commission reviewed the revised SDP-7712-2017 application during its meeting on March 28, 2018. The Commission discussed the revised aspects of Application SDP-7712-2017 and voiced their support for the redesign of the proposed drive-thru, noting that the revised layout is a creative solution to separating vehicular and pedestrian circulation and enhancing the walkability of the larger community. The Commission stated that the revisions made by the applicant had addressed its earlier concern as reflected in Condition #3. The Commission noted that the revised design retains compatibility with and supports the economic viability of the automobile-oriented regional shopping center. The Commission further noted that the plan does not reflect the vision of the 2008 Kentlands Boulevard Commercial District master plan, as this application does not propose a comprehensive redevelopment of the shopping center; however, the proposed design does reflect the interim uses and general design envisioned by the 2008 Kentlands master plan, and is consistent with the approved sketch plan that serves as the legal basis for their review. The Commission discussed that the comments from the community did not present a consensus vision or opinion regarding the proposed plan, with some supporting the drive-thru, some opposing it, and others opposed based upon a possible relocation of an individual tenant, which the Commission noted is not germane to the application's review. Lastly, the Commission noted the importance of prioritizing the pedestrian streetscape improvements.

Based upon their review of the evidence, testimony, and findings in the staff analysis, the Planning Commission found the SDP-7712-2017 application to be in conformance with the MXD Zone standards. As such, the Planning Commission recommended approval of the SDP-7712-2017 application to the City Council with the following two conditions required of the applicant:

1. The Applicant, as part of any final site plan application, must revise the limits of disturbance shown on the stormwater management plan and must provide mitigation as required by the Department of Public Works; and;
2. The Applicant, as part of the first final site plan application, must include a phasing plan detailing the timing of construction for temporary and permanent pedestrian streetscape improvements and changes to the parking lot.

C. Evaluation and Findings

The City Council, upon careful review of the evidence of record, agrees with the findings, conclusions and the recommendation of approval for schematic development plan SDP-7712-2017 by the City Planning Commission and City staff. The City Council finds those recommendations to be well reasoned and adopts and incorporates their findings as part of this action.

In reviewing the subject application for the approval of schematic development plan SDP-7712-2017, the City Council finds the application and development proposal meets or accomplishes the purposes, objectives, and minimum standards and requirements of the MXD Zone that are set forth in Chapter 24 (Zoning) Article III, Division 19 of the City Code.

The City Council finds that the application meets the submission requirements and the standards and requirements for approval of the subject schematic development plan, as set forth in § 24-160D.9(b) because:

1. The Applicant filed, together with the prescribed application fee, an application for approval of a schematic development plan which is consistent with the approved sketch plan Z-262(A) in terms of nature, density, location of use, access, and circulation;
2. Staff determined that schematic development plan application SDP-7712-2017 was complete and contains all the information and components required under § 24-169(b) of the City Code;
3. The 1988 Master Plan Neighborhood Four Land Use Plan, which remains in effect through adoption in subsequent Master Plan updates, envisions a mixed-use community with a commercially-focused village center, and SDP-7712-2017 complies and conforms;
4. The schematic development plan is part of the commercially-focused village center approved by sketch plan Z-262(A), containing a maximum of 1,400,000 square feet of non-residential development, of which approximately 1,052,572

square feet has been constructed, and approval of this plan will bring the total built to only 1,068,572 square feet;

5. The proposed interim nature of the infill sites development fulfills the incremental change envisioned by the 2008 Kentlands Boulevard Commercial District Special Study Area (KCDMP), which is necessary to support the long-term redevelopment contemplated by the KCDMP;
6. The City Council and City Planning Commission have conducted a joint public hearing on the application subject to the notification procedures in § 24-196 of the City Code;
7. The Planning Commission delivered its recommendation to the City Council on March 28, 2018, within thirty (30) days of the close of the Commission's hearing record on March 9, 2018;
8. The Council is taking action on the application within ninety (90) days after the close of the Council's hearing record on April 3, 2018; and
9. The approval of this schematic development plan with its degree of detail shall substitute for preliminary site plan approval.

Furthermore, the City Council finds from the evidence of record that the application for schematic development plan approval, SDP-7712-2017, as currently amended, fulfills the findings required under § 24-160D.10:

- (1) The plan is substantially in accord with the approved sketch plan:

The current SDP application is an interim development plan that falls within and is substantially in accord with the 1991 Sketch Plan amendment approval for Z-262(A), which allowed up to 1,400,000 square feet of non-residential use in the overall Kentlands subdivision, of which an estimated 1,052,572 square feet has been constructed, and approval of this plan will bring the total built to only 1,068,572 square feet. Application SDP-7712-2017 is consistent with the 2003 approval of schematic development plan SDP-03-005, which was substantially in accord with the approved Z-262(A) sketch plan. The proposed uses of office, restaurant, retail, personal service, bank, childcare, and integrated light manufacturing are included within the approved "industrial/research/office/commercial" uses of sketch plan Z-262(A).

- (2) The plan meets or accomplishes the purposes, objectives and minimum standards and requirements of the zone:

Because application SDP-7712-2017 includes an already-developed portion of the Kentlands subdivision, the purposes, objectives, and minimum standards and requirements of the MXD zone have already been satisfied as part of the prior approvals of the Z-262 rezoning and Z-262(A) sketch plan applications. The current application SDP-7712-2017 reaffirms those previous findings and also satisfies this

finding because:

Section 24-160D.1. Purposes and objectives of zone.

- a) Application SDP-7712-2017 complies with the Neighborhood 4 Land Use Plan of the 1988 Master Plan and serves as an interim use encouraged as part of the 2008 Kentlands Boulevard Commercial District Special Study Area.
- b) Application SDP-7712-2017 represents the next phase of the continued orderly development of the existing Kentlands Square Shopping Center within the commercially-focused town center of Kentlands.
- c) Application SDP-7712-2017 includes design guidelines that encourage design flexibility and coordination of architecture and signage.
- d) Application SDP-7712-2017 enhances the commercial focus of the town center of Kentlands, as envisioned by the 1988 Master Plan and Z-262(A) sketch plan, while retaining the ability to be redeveloped in the future as a denser mixed-use center, as envisioned by the 2008 Kentlands Boulevard Commercial District Special Study Area.
- e) Application SDP-7712-2017 is an extension of the existing commercial uses found in the Kentlands Square Shopping Center and will remain compatible with the surrounding land uses.
- f) Application SDP-7712-2017 complements the existing commercial uses and site design of Kentlands Square and includes further improvements to the pedestrian realm and connectivity to surrounding areas.
- g) Application SDP-7712-2017 improves the natural environment by adding stormwater treatment to a parking lot, increasing greenspace, and reducing the overall impervious area of the SDP area.
- h) Application SDP-7712-2017 meets the requirements of the City's Adequate Public Facilities Ordinance, contained in Article XV of Chapter 24 (Zoning) of the City Code.

Section 24-160D.2. Minimum location and development requirements.

Application SDP-7712-2017 satisfies the minimum location and development requirements because it is an extension of an existing commercial area that was previously approved as part of sketch plan Z-262(A) under the MXD zone.

Section 24-160D.5. Compatibility standards.

Application SDP-7712-2017 satisfies the compatibility standards because it is an extension of an existing commercial area that was previously approved as part of sketch plan Z-262(A) under the MXD zone.

Section 24-160D.6. Minimum green area, landscaping, and amenity requirements.

Application SDP-7712-2017 satisfies the green area, landscaping, and amenity requirements because it is an extension of an existing commercial area that was previously approved as part of sketch plan Z-262(A) under the MXD zone.

- (3) The plan is in accord with the area master plan and any accompanying special condition or requirements contained in said master plan for the area under consideration:

Application SDP-7712-2017 is in accord with the area master plans because it is a continuation of the mixed use development pattern envisioned in the 1988 Master Plan Neighborhood Four Land Use Plan, as implemented by Sketch Plan Z-262 and its amendment Z-262(A). This application also serves as an interim transition between the 1988 Master Plan vision of a mixed-use community being created out of a gentleman's farm and the 2008 KCDMP long-term vision of a denser mixed-use urban-like center being created within a suburban-scale community. Specifically, this application fits within the KCDMP frameworks of "encourage[ing] development that supports the long-term vision for the area while fulfilling short-term needs;" "maintaining a network of walkable streets, safe street crossings, attractive accessible public spaces, and buildings whose form and design contribute to an attractive street environment;" "improving conditions for pedestrians and... encouraging the efficient use of transit and parking resources;" and "promot[ing] a critical mass and broad mix of mutually supportive uses... that support the vitality of the area." Option B of the Charrette plans included in the KCDMP shows additional infill sites in this area of the shopping center in a pattern similar to the layout of the infill buildings in this application.

- (4) The plan will be internally and externally compatible and harmonious with existing and planned land uses in the surrounding MXD zoned area and adjacent areas:

Application SDP-7712-2017 is compatible and harmonious with the surrounding existing and planned land uses, due to the minor impact of the proposed buildings and site changes and the complementary nature of the proposed commercial use. This application's three (3) proposed infill sites are a natural extension of the successful compatibility demonstrated by the one infill site that was constructed as part of the prior SDP-03-005 approval. The proposed commercial infill sites are located within a larger commercial shopping center, which is itself located within an area designated on the adopted Z-262(A) sketch plan as the primary commercial component (town/village center) of a mixed-use community. The proposed extension of the existing sidewalk improves the pedestrian realm, encourages multimodal transportation choices, and provides better connectivity to the surrounding area and to retail within the shopping center. The proposed drive-thru will satisfy a market trend of increased convenience for customers, as noted in recent retail industry articles, and will help to improve the commercial viability and competitiveness of the existing center. The proposed design guidelines promote compatibility with the context of the surrounding buildings while fostering successful future businesses by retaining flexibility to respond to market demands and tenant needs. In addition, the interim timeframe of these infill sites does not preclude the longer-term KCDMP vision of redevelopment of the Kentlands Square Shopping Center as a denser urban-like mixed use center.

- (5) That existing or planned public facilities are adequate to service the proposed development contained in the plan:

Application SDP-7712-2017 meets this finding by satisfying the City's Adequate Public Facilities Ordinance (APFO) for public schools, fire response time, water and sewer service, and traffic impacts. Specifically, three (3) fire stations (Stations 8, 31, and 32) provide a ten (10) minute response time for this property; the property is currently served by public water and sewer and has a Water Category of 1 and Sewer Category of 1 in the County's Master Plan; and no residential uses are proposed, exempting the plan from the APFO public schools test of § 24-246. The Applicant has included a Traffic Impact Analysis (TIA) (TRF-7706-2017), performed by Wells and Associates, showing an increase of forty-two (42) trips during the PM peak hour. Engineering Services Director Mumpower has concurred with the TIA conclusion that the proposed infill development will not have a significant impact on the congestion currently experienced on the surrounding roads and intersections. Two additional reports from Wells and Associates demonstrate that the traffic circulation and on-site parking are adequate to support the proposed infill development sites.

- (6) That the development staging or phasing program is adequate in relation to the provision of public facilities and private amenities to service the proposed development:

Application SDP-7712-2017 has adequate public facilities and private amenities to service the proposed additional commercial infill sites. The plan proposes to improve the pedestrian experience along the drive aisle adjacent to the infill sites, and the traffic and parking impacts from the proposed development are minimal.

- (7) That the plan, if approved, would be in the public interest:

Approval of application SDP-7712-2017 is in the public interest. The application proposes to redevelop a currently underutilized parking lot area, improve the pedestrian experience and physical realm along the drive aisle, leverage access to the existing transportation networks, and create uses that complement the Shopping Center and surrounding area. The proposed development will satisfy increased market demand for commercial uses, while providing more employment opportunities over the next 7-10 years. Staff further notes that commercial development often results in an increase in property and income tax revenue, helping the City continue to operate as a "pay as you go" debt-free municipality, which is one of the City's FY2018 Guiding Principles.

Four of the City's FY2018 Strategic Goals are met by this application:

- Economic Development: "position Gaithersburg favorably for local investment via business expansion and/or real estate development by maintaining an attractive business environment;"
- Planning and Development: "encourage high quality, aesthetically appealing development that adheres to the City's objectives for sustainable growth;"
- Transportation: "ensure attractiveness and viability of streetscape and associated amenities," and
- Transportation: "reduce automobile dependence by facilitating multimodal transportation options"

In summary, the City Council finds that SDP-7712-2017 contributes as an interim step towards the greater vision of the Kentlands development; is in accord with City Code §§ 24-160D.9.(b) and 160D.10.(b); conforms with the applicable Master Plan; and, as hereafter conditioned, is in the public interest and should be approved due to the presence of substantial evidence in the record to indicate that the subject Schematic Development Plan has accomplished the purposes of the MXD Zone, as well as generally accepted City planning and land use policies, subject to the applicant complying with the conditions stated in this Resolution.

SCHEMATIC DEVELOPMENT PLAN SDP-7712-2017

RESOLUTION

NOW, THEREFORE BE IT ORDAINED by the City Council of Gaithersburg, that SDP-7712-2017, being an application filed by Saul Holdings Limited Partnership, requesting approval of Schematic Development Plan is hereby approved subject to the following conditions required of the applicant:

1. The Applicant, as part of any final site plan application, must revise the limits of disturbance shown on the stormwater management plan and must provide mitigation as required by the Department of Public Works; and
2. The Applicant, as part of the first final site plan application, must include a phasing plan detailing the timing of construction for temporary and permanent pedestrian streetscape improvements and changes to the parking lot.

ADOPTED by the City Council this 16th day of April, 2018.

JUD ASHMAN, MAYOR and
President of the Council

THIS IS TO CERTIFY that the foregoing
Resolution was adopted by the City Council
in a public meeting assembled on the 16th day
of April, 2018.

Tony Tomasello, City Manager